

The opinion in support of the decision being entered today was *not* written for publication and is *not* binding precedent of the Board.

Paper No. 26

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

MAILED

Ex parte JOHN KOLLAR

FEB 28 2001

Appeal No. 1998-3109
Application 08/567,564

PAT. & T.M. OFFICE
BOARD OF PATENT APPEALS
AND INTERFERENCES

ON BRIEF

Before WARREN, OWENS and ROBINSON, *Administrative Patent Judges*.

WARREN, *Administrative Patent Judge*.

On Request For Rehearing

We have treated appellant's Request For Rehearing, filed September 1, 2000 (Paper No. 25; hereinafter Request), as an election to have the application reheard under 37 CFR § 1.197(b) (1997) by the Board of Patent Appeals and Interferences, pursuant to 37 CFR § 1.196(b)(2) (1997), rather than by the examiner, pursuant to 37 CFR § 1.196(b)(1) (1997), with respect to our affirmance of the examiner's ground of rejection which we designated as a new ground of rejection as entered in our original decision of July 17, 2000 (Paper No. 24; see pages 2-3 and 51-52).^{1,2}

¹ We note that appellant, appearing *pro se*, requested "rehearing under 37 CFR § 1.193(b)" (request, page 1), which Rule (amended December 1, 1997) pertains to the filing of a reply brief.

² We cannot agree with appellant that we are "required to rule on [sic] record presented by the Examiner" or with appellant's conclusion that our original decision does not constitute "a new

37 CFR § 1.196(b) reads in pertinent part:

... When the Board of Patent Appeals and Interferences makes a new ground of rejection, the appellant, within two months from the date of the decision, must exercise one of the following two opinions with respect to the new ground of rejection to avoid termination of proceedings (§ 1.197(c)) as to the rejected claims:

...
(2) Request that the application be reheard under § 1.197(b) by the Board of Patent Appeals and Interferences upon the same record. The request for rehearing must address the new ground of rejection and state with particularity the points believed to have been misapprehended or overlooked in rendering the decision and also state all other grounds upon which rehearing is sought. Where request for such rehearing is made, the Board of Patent Appeals and Interferences shall rehear the new ground of rejection and, if necessary, render a new decision which shall include all grounds of rejection upon which a patent is refused. . . .

It is apparent that appellant, in his Request, addressed the new ground of rejection we entered in our original decision (*see above* note 2) and stated with particularity the points, facts and our findings based thereon that he believed to have been misapprehended or overlooked in rendering our original decision and appears to have also stated all other grounds upon which

ground" of rejection. The Board has the prerogative under 37 CFR § 1.196(b) (1997) to enter a new ground of rejection in a decision ("(b) Should the Board of Patent Appeals and Interferences have knowledge of any grounds not involved in the appeal for rejecting any pending claim, it may include in the decision a statement to that effect with its reasons for so holding, which statement constitutes a new ground of rejection of the claim. . . ."). Furthermore, as we pointed out in our original decision, "[w]hether an invention was on-sale within the meaning of § 102(b) more than one year prior to the date that the present application was filed is a question of law based on *underlying facts*" (pages 5-6; emphasis added). It is apparent from our original decision that our view of the facts of record materially differed from that of the examiner, and appellant had not had the opportunity to respond to our position. Thus, appellant now has had an opportunity to react to our position in his Request. See *In re Kronig*, 539 F.2d 1300, 1302-03, 190 USPQ 425, 426-427 (CCPA 1976) ("Appellants urge that the ultimate criterion of whether a rejection is considered 'new' in a decision by the board is whether appellants have had fair opportunity to react to the thrust of the rejection. We agree with this general proposition, for otherwise appellants could be deprived of the administrative due process rights established by 37 CFR 1.196(b)"); *In re Eynde*, 480 F.2d 1364, 1370-71, 178 USPQ 470, 474-75 (CCPA 1973) ("We do agree with appellants that where the board advances a position or rationale new to the proceedings, as it is empowered to do and quite capable of doing, the appellant must be afforded an opportunity to respond to that position or rationale by the submission of contradicting evidence.").

rehearing is sought. While appellant submitted eight new exhibits³ with the Request, we find that the same address matters of fact that we either found in the record⁴ or presumed therefrom, and that we relied on in our opinion in support of our original decision (*see below*, e.g., pages 9-10). Thus, while “a showing of facts to be added to the record does not afford rehearing by the Board *as a matter of right* under 37 CFR 1.196(b)” (emphasis supplied), we have carefully considered appellant’s Request and showings of fact based on his election to have the application reheard by the board under 37 CFR § 1.197(b)(2) rather than remand the application to the

³ The eight (8) exhibits consist of the following:

Exhibit 1: The document “1977 CHEMICAL PIONEERS” in *THE CHEMIST*, 5 (March 1977).

Exhibit 2: document “CONFIDENCE AGREEMENT” of the “23rd. day of October 1979” (Celanese Confidence Agreement) executed on page 3 by “Howard L. Pilat” of Celanese Chemical Company, Inc., and by “John Kollar” for Redox Technologies Inc.

Exhibit 3: letter from Howard L. Pilat to John Kollar, dated October 25, 1979 (Pilat letter), conveying “a signed secrecy agreement.”

Exhibit 4: letter from John Kollar to Howard L. Pilat, dated October 29, 1979 (Kollar letter), conveying “an executed copy of the confidentiality agreement.”

Exhibit 5: letter from Gene J. Fisher to John Kollar, dated May 7, 1980.

Exhibit 6: document “HEADS OF AGREEMENT” of “this first day of July, 1980” (Celanese Heads of Agreement) executed on page 17 on “July 31 1980” by “. . . Bartley Jr.” for Celanese Corporation and “John Kollar” for Redox Technologies Inc. There are two front or first pages which are identical except that the first of these pages is unnumbered and contains the notations “DRAFT July 9, 1980 – DBS” and “DRAFT July 15, 1980 – HHM-JK,” and the second is numbered “-1-”.

Exhibit 7: document “DEFINITIVE AGREEMENT” of the “1st. day of July, 1980” (Celanese Definitive Agreement), executed on page 24 by Mr. “Bartley, Jr.”, for Celanese Corporation on “1-7 1981” and by “John Kollar” for Redox Technologies, Inc., on “12-22-1980,” which page carries the further notation 11/20/80-FK”. This document appears to be complete while the document previously submitted as Kollar Declaration *Exhibit 3*, as supplemented in appellant’s response of September 25, 1997 (Paper No. 8), has certain parts blanked-out (original decision, pages 3-4 and, e.g., pages 28 and 29).

Exhibit 8: page 2 of the ARCO/REDOX Secrecy Agreement, which document without this was submitted in appellant’s Response of March 17, 1998 (Paper No. 11) (see original decision, pages 5 and 19).

⁴ Contrary to appellant’s contention (Request, page 37), the Response of March 17, 1998, is indeed Paper No. 11. Paper No. 10 is a status letter filed by appellant on March 10, 1998. Furthermore, the Response of March 17, 1998 (Paper No. 11) was received by FAX on said date, as evinced by the printed notation at the top of each page, and there is no indication that this response “was put on record in January 17, 1998” as appellant alleges (Request, page 28).

examiner for consideration under 37 CFR § 1.197(b)(1) (1997). *See Manual of Patent Examining Procedure (MPEP)* § 1214.01 (7th ed., Rev. 1, Feb. 2000; 1200-27).⁵

37 CFR § 1.196(b)(2) (1997) further provides that “[t]he decision on rehearing is . . . final for the purpose of judicial review, except when noted otherwise in the decision.” We recognize that ordinarily, under this rule, our decision on rehearing would be final for the purposes of judicial review. See 37 CFR §§ 1.301 through 1.304 (1997). However, because we did not have the evidence submitted in the Request *Exhibits* before us, relying instead on presumptions based on facts in the record in making our original decision, and thus did not address the points now raised by appellant in this respect, we modify our prior decision to the extent set forth below, *creating, in effect, a new decision, entitling appellant to a single (one) further request for rehearing* under 37 CFR § 1.197(b) (1997), first sentence, on the record as it now stands upon the submission of the Request and the Request *Exhibits*.

Accordingly, in the present Request for Rehearing pursuant to 37 CFR § 1.196(b)(2) (1997), appellant requests rehearing before us of our original decision in which we denominated our affirmance of the examiner’s ground of rejection of appealed claims 1 through 17 under 35 U.S.C. § 102(b) “based upon a sale (or an offer to sale [sic, sell]) of the invention” by Redox Technologies Inc. to Celanese Corporation, as involving a new ground of rejection pursuant to our authority under 37 CFR § 196(b) (1997) (original decision, pages 2-3).

We will not reiterate our opinion in support of our original decision because 37 CFR § 1.196(b) (2) provides that “[t]he decision on rehearing is deemed to incorporate the earlier decision for purposes of appeal, except for those portions specifically withdrawn on rehearing” Thus, we refer in this opinion in support of our decision on rehearing to the parties,⁶ the different components of the “Technology,” and papers and exhibits submitted prior to the Request in the manner in which we referred thereto in our opinion in our original decision (see

⁵ In electing to have the board rehear the application under 37 CFR § 1.197(b)(2), “appellant waives his . . . right to further prosecution before the examiner” under 37 CFR § 1.197(b)(1) (1997). *MPEP* § 1214.01.

⁶ Appellant states that “Redox is not ‘appellant’s wholly owned corporation’ (Request, page 39). According to PTO records, this application is assigned to Redox Technologies Inc., which appears to be the real party in interest. See 37 CFR ¶ 1.192(c)(1) (1997).

original decision, e.g., pages 3-5 and 8-12).

We began our consideration of appellant's response in his Request to the *prima facie* case that the claimed process encompassed by appealed claim 1 was on-sale within the meaning of § 102(b) (original decision, page 45, first paragraph, and page 48, first paragraph), by reviewing the testimonial and documentary evidence already of record and the testimonial and documentary evidence submitted in the Request in light of appellant's arguments in the Request, where such evidence pertains to the claimed process encompassed by claim 1, which was our focus in rendering our original decision (e.g., paragraph bridging pages 9-10),⁷ and pertains to the interaction between Redox and Celanese.

We found in our original decision with respect to the document "REDOX TECHNOLOGIES INCORPORATED January 21, 1983 Meeting" (Kollar Declaration *Exhibit 5*), that "TBA along with the other two alcohols[, methanol and ethanol,] are, separately or in admixture, within the definition of the 'alkylating alcohol' reactant in claim 1, and thus, this disclosure involves 'further embodiments' of the claimed invention as appellant admits" (page 16). Appellant states that our finding is "technically wrong" because "methanol and ethanol are not alkylating alcohols in this reaction" (Request, page 41), and characterizes the mixture of TBA, methanol and ethanol "as an impure form of [TBA]" (Request, page 25). The difficulty that we have with appellant's argument is that the plain language "an alkylating alcohol of the formula ROH . . . wherein R is C₁-C₁₀ alkyl" in claim 1 clearly includes methanol ("C₁") and ethanol ("C₂") as alkylating alcohols and we find no basis in the record, and none has been advanced by appellant (Request, page 25), why either or both of these two alcohols would *not*

⁷ Indeed, we were not persuaded before by appellant's characterization of the claimed invention as encompassed by claim 1 as *de minimis* in the greater scheme of the "Technology" (original decision, page 10) and find appellant's similar argument made in the Request to be of no more persuasion (Request, e.g., page 29, second full paragraph, paragraphs bridging pages 38-39, page 50, second full set of paragraphs, and page 52, first paragraph). Because the focus of this appeal is the claimed process encompassed by claim 1, we have not considered appellant's testimonial and documentary evidence which is based on the four cited patents which are drawn to processes for producing ethylene glycol with organic peroxides, the latter not encompassed by claim 1 (Request, e.g., pages 17-18, 22 and 45), or "documents in the file of United States Patent No. 5,321,157" (original decision, page 7 and note 14; Request, page 38).

have reacted with the specified "hydroperoxide," even in the presence of TBA, to provide "a dialkyl peroxide" under the process conditions specified in the claim, thus providing a mixture of dialkyl peroxides when the "impure form of [TBA]" is the "alkylating alcohol." If the claimed process does not result in such a product mixture as suggested by the mixture of the recited alcohols when reacted with "a hydroperoxide" as specified in claim 1, then the alleged single "dialkyl peroxide" product based on TBA must be due to a process condition(s) not reflected in claim 1. *Cf. In re Sussman*, 141 F.2d 267, 269-70, 60 USPQ 538, 541 (CCPA 1944) ("[I]f appellant obtains a new product through reaction of the elements mentioned, it must be due to some step in the process not included in the claim.").

In this respect, it is apparent that the broadest reasonable interpretation of the claim terms in the phrase "an alkylating alcohol of the formula ROH . . . wherein R is C₁-C₁₀ alkyl" in light of the written description in appellant's specification as it would be interpreted by one of ordinary skill in this art,⁸ is that, in the presence of the open-ended transitional term "comprising,"⁹ the

⁸ The interpretation of the scope of the appealed claims requires that the broadest reasonable interpretation must be given to the terms thereof consistent with the written description provided in appellant's specification as it would be interpreted by one of ordinary skill in this art, *see In re Morris*, 127 F.3d 1048, 1054-55, 44 USPQ2d 1023, 1027 (Fed. Cir. 1997) ("[T]he PTO applies to the verbiage of the proposed claims the broadest reasonable meaning of the words in their ordinary usage as they would be understood by one of ordinary skill in the art, taking into account whatever enlightenment by way of definitions or otherwise that may be afforded by the written description contained in the applicant's specification."), without reading into these claims any limitation or particular embodiment which is disclosed in the specification. *See In re Zletz*, 893 F.2d 319, 321-22, 13 USPQ2d 1320, 1322 (Fed. Cir. 1989), citing *In re Prater*, 415 F.2d 1393, 1404-05, 162 USPQ 541, 550-51 (CCPA 1969); *In re Priest*, 582 F.2d 33, 37, 199 USPQ 11, 15 (CCPA 1978), citing *Prater*, 415 F.2d at 1405, 162 USPQ at 551. Thus, the terms in the appealed claims must be given their ordinary meaning unless another meaning is intended by appellant as established in the written description of the specification. *See, e.g., Morris, supra; Zletz, supra* ("During patent examination the pending claims must be interpreted as broadly as their terms reasonably allow. When the applicant states the meaning that the claim terms are intended to have, the claims are examined with that meaning, in order to achieve a complete exploration of the applicant's invention and its relation to the prior art. [Citations omitted.]"). When the specification does not contain an express definition, a reasonable, supported interpretation of the appealed claims that differs from that urged by appellant can be used to determine the patentability of the claims. *Morris*, 127 F.3d at 1055-56, 44 USPQ2d at 1028-30 ("Absent an express definition in their specification, the fact that appellants can point to definitions or usages that conform to their interpretation does not make the PTO's definition

indefinite article “an” requires that the phrase be interpreted to specify the use of “one or more” alkylating alcohols. *See KCJ Corp. v. Kinetic Concepts, Inc.*, 223 F.3d 1351, 1356, 55 USPQ2d 1835, 1839-40 (Fed. Cir. 2000) (“This court has repeatedly emphasized that an indefinite article ‘a’ or ‘an’ in patent parlance carries the meaning of ‘one or more’ in open-ended claims containing the transitional term ‘comprising.’ [Citations omitted.]”). We find no express definition for the terms in the phrase “an alkylating alcohol of the formula ROH . . . wherein R is C₁-C₁₀ alkyl” in the written description in appellant’s specification and no disclosure which excludes either methanol or ethanol, separately or in a mixture of specified alkylating alcohols, from this claim phrase. Indeed, it is specifically disclosed in appellant’s specification that “a mixture of different alkyl peroxides can be prepared by reacting a mixture of alkylating alcohols with [TBHP]” (page 6, lines 27-28), and there is no disclosure in any of specification Examples 7, 8 and 11 that methanol and ethanol in “crude [TBA]” did not react with this hydroperoxide (pages 14 and 16).

Appellant further states that “experimental progress in the [DTBP]” is evidenced by the document “REDOX TECHNOLOGIES INCORPORATED January 21, 1983 Meeting” (Kollar Declaration *Exhibit 5*) which sets forth “Alkylation of [TBHP] with [TBA]” among the “Major Areas of Research” and “Alkylation of [TBHP] with [TBA] for the production of [DTBP] appears to be quite practical” under “Major Conclusions,” and further points out that he has stated “[s]pecifically on the record” that such are ““...further embodiments of my....’ [sic] And ‘As part of an ongoing cooperative effort between Redox and Celanese....’ which establishes ongoing experimentation and progress, which BPAI ignores”” (Request, second and third paragraphs on page 18; see also pages 18-19, 24-26, 40-41 and 51). The latter statements apparently refer to ¶ 9 of the Kollar Declaration (see original decision, paragraph bridging pages 15-16). While appellant refers to “pages 16 line 1 and 2, and on page 29 starting on line 7 through 11” of our original decision (Request, page 18), we made additional references to this

unreasonable when the PTO can point to other sources that support its interpretation.”). Thus, “[i]t is the applicants’ burden to precisely define the invention, not the PTO’s. See 35 U.S.C. § 112 ¶ 2 [statute omitted].” *Morris*, 127 F.3d at 1055-56, 44 USPQ2d at 1029.

⁹ We discussed the interpretation of claim 1 with respect to the open-ended transitional term “comprising” in our original decision (page 9, full paragraph).

document and to ¶ 9 of the Kollar Declaration (see paragraph bridging pages 15-16 to paragraph bridging pages 16-17, second sentence of first paragraph of page 29, first and second full paragraphs of page 41, the first and second full sentences on page 43, and the third and fourth paragraphs on page 46).

In again reviewing the record as it now stands on appeal in light of appellant's statements in the Request with respect to this issue, we fail to find any evidence that Celanese ever conducted any experimentation pursuant to the Celanese Definitive Agreement, including ¶ 6.1 thereof (see original decision, pages 33-34 and 50), on the process developed by Redox and disclosed in the document "REDOX TECHNOLOGIES INCORPORATED January 21, 1983 Meeting" (Kollar Declaration *Exhibit 5*) pursuant to ¶¶ 2.5 and 2.6 of this Agreement (see original decision, last paragraph of page 28). Indeed, appellant states in ¶ 9 of the Kollar Declaration that he had "reduced to practice further embodiments of my [DTBP] invention" before disclosing this particular process falling within claim 1 to Celanese (see original decision, page 43, second full sentence), and further states in the Request that "the examination of [DTBP] production was never even attempted by Celanese in over 3 years of cooperative effort" (page 23, third full paragraph; see also original decision, page 43, first full sentence).

Thus, on the record as it now stands in this appeal, we find that Redox had solely conducted the research on the "Alkylation of [TBHP] with [TBA]" in reducing this embodiment of the claimed process to practice and reported the same to Celanese prior to the termination of the Celanese Definitive Agreement by Celanese in the "R&D Phase" (see original decision, e.g., pages 29-32), thus placing the disclosure comprising an embodiment of the claimed process encompassed by claim 1 in the possession of Celanese, which could use this process as disclosed in operating under Redox "Technology in the Field" when it terminated this Agreement pursuant to ¶ 3.2(b).

Turning now to appellant's testimonial evidence in the Request and to documentary evidence in Request *Exhibits 2 through 7*, we find that the same sheds light on the interaction between Redox and Celanese with respect to the "Technology" up to and including the execution of the Celanese Definitive Agreement which was not established by prior submissions (see original decision, e.g., pages 10-12, paragraph bridging pages 13-14, paragraph bridging pages

26-27 to third line of page 28, and the first three sentences of the paragraph bridging pages 49-50). In reviewing the documentary evidence, we have carefully considered appellant's arguments with respect thereto presented in his Request.

In our original decision, we found "no evidence in the record of the interaction between Redox and Celanese which led to the Celanese Definitive Agreement" and presumed "from the evidence that Redox had placed the document submitted to Celanese entitled 'Alkylation Of t-Butyl Hydroperoxide With Isobutylene' in the possession of Celanese at some point before the execution of the Celanese Definitive Agreement" (page 27, first full paragraph, to the third line of page 28, and paragraph bridging pages 13-14). Our presumptions, in this respect, were based on the testimony in ¶ 7 of the Kollar Declaration, that the "Redox EG Process disclosure agreement" between Redox and Celanese was signed on November 2, 1979, and in part I.C.4. of the § 1.608(b) Showing (pages 13-14), that the document entitled "Alkylation Of t-Butyl Hydroperoxide with Isobutylene," part of Kollar Declaration *Exhibit 3*, was probably attached to that agreement (original decision, pages 13-14 and 27).

We now find from the testimonial and documentary evidence in the Request and Request *Exhibits* that our presumptions based on the record as it existed at the time of our original decision were correct, that is, Celanese was indeed in possession of the document entitled "Alkylation Of t-Butyl Hydroperoxide with Isobutylene" prior to the execution of the Celanese Definitive Agreement. We now find that this disclosure was made prior to the execution of the Celanese Heads of Agreement as Redox and Celanese acknowledge on the first page of this Agreement (Request *Exhibit 6*) that they "made certain disclosures one to another and have developed certain arrangements between themselves as evidenced in part by" five listed documents. The second listed document¹⁰ is the Celanese Confidence Agreement dated "this 23rd. day of October 1979," a copy of which was provided by appellant (Request *Exhibit 2*). The Celanese Confidence Agreement, signed by Celanese, was forwarded to Redox in a letter dated

¹⁰ The first listed document "Letter from Redox to Celanese, dated October 11, 1979," is not of record. We presume that this document, and other unlisted "meetings, discussions and correspondence" were initiated by Celanese as appellant states that a "two paragraph item appeared in the Cementator section of the October 1979 issue of 'Chemical Engineering' . . . led to the October 23, 1979 secrecy agreement etc., etc." (Request, page 42; see also page 58).

October 25, 1979, which states that there was "no problem in forwarding a check for \$10,000 as [Redox] requested within the next few days but hope that [Redox] can, upon receipt of the signed secrecy agreement, agree to meet with our people and move ahead with the preliminary [information] exchanges," and that Celanese "would appreciate [Redox] countersigning one of the secrecy agreements for [Celanese] files and returning it" (Request *Exhibit 3*). In the letter of October 29, 1979, Redox returned "an executed copy of the confidentiality agreement to Celanese and confirmed a meeting with them for November 2, 1979, at which technical disclosures would be made (Request *Exhibit 4*). Further, the third listed document is the "Letter from Celanese to Redox, dated November 2, 1979, transmitting the 'disclosure fee,'" and the fourth listed document is the "Booklet 'Redox's Ethylene Glycol Process' given to Celanese by Redox November 2, 1979 (Redox I)."

While said third listed "Letter" is not of record, we presume that the "disclosure fee" transmitted on November 2, 1979, is the \$10,000 stated in the Letter dated October 25, 1979 (Request *Exhibit 3*). We further presume that in consideration thereof and pursuant to the Celanese Confidence Agreement (see ¶ 1.), Redox provided Celanese with a "look-see" that included "Redox I," which booklet is not of record, that contained a section entitled "Alkylation Of t-Butyl Hydroperoxide with Isobutylene" which was submitted by appellant as part of Kollar Declaration *Exhibit 3*. Thus, on this record, we presume that the "Redox EG Process disclosure agreement" between Redox and Celanese pointed to in ¶ 7 of the Kollar Declaration and in part I.C.4. of the § 1.608(b) Showing (pages 13-14) was the Celanese Confidence Agreement (Request *Exhibit 2*) and that it was "Redox I" that was given to Celanese on November 2, 1979.¹¹

We presume from the record that Redox provided Celanese with additional technical information concerning the "Technology" prior to the execution of the Celanese Definitive Agreement. Indeed, the last document listed on page 1 of the Celanese Heads of Agreement is the "Booklet 'Redox's Ethylene Glycol Process' given to Celanese by Redox March 21, 1980

¹¹ Appellant states that "[t]he 'Redox EG Process disclosure agreement,' of Nov. 2, 1979 may not have existed as such or if it did, it cannot be found" (Request, page 58) and that "its true essence is established in [Request] Exhibits 3 and 4" (Request, page 28; compare the first paragraph on page 40).

(Redox II).” This document is not of record. We presume that “Redox II” is referenced to some extent in at least the title of the document “Redox II Design and Economics Update” authored by Celanese personnel (Kollar Declaration *Exhibit 4*; see original decision, page 17). Since the latter document contains disclosure in the “Summary” and a part of “Appendix B Block 2 – TBHP Alkylation” that pertains to processes encompassed by claim 1, we further presume that “Redox II” includes information pertaining to processes in claim 1, and there is no evidence in the record that such information is different from that set forth in “Redox I.”¹²

We find that the Celanese Confidence Agreement (¶¶ 1 and 3) granted to Celanese the “use [of] the information disclosed to it . . . for the sole purpose” of “to determine whether it desires to enter into further agreement with Redox, relating to the use or development of the “Technology.” Subsequent to the disclosures of “Redox I” and “Redox II,” Redox and Celanese entered into the Celanese Heads of Agreement, executed July 31, 1980, which provides the following:¹³

II. Celanese and Redox hereby agree, in *consideration* of the sum of one hundred thousand dollars (\$100,000) *payable by Celanese* to Redox upon the signing by both parties of this Heads of Agreement, which payment is *non-refundable*, promptly to

¹² In response to our requirement to “provide a copy of *any* disclosure made to Celanese that is not of record with respect to embodiments of the claimed invention encompassed by claim 1” (original decision, page 49; emphasis supplied), appellant states that “[t]here is no *pertinent* disclosure beyond that furnished” (Request, page 59; emphasis supplied). While we find appellant’s response to be deficient because we requested “any disclosure” and not such disclosure that appellant considers “pertinent,” we conclude that under the circumstances of this case, this deficiency is not of such magnitude as to require an order to show cause why this application should not be held abandoned for failure to provide the requested information (see original decision, page 48). We must take the record as we find it. However, appellant should identify which sections of “Redox I” and “Redox II” are now of record and provide those sections of these documents not of record that pertain to the claimed invention encompassed by claim 1 in any further prosecution of the appealed claims *before the examiner after the disposition of this appeal* that involves the ground of rejection considered here. Indeed, this information would reasonably appear to be pertinent because appellant characterizes “Redox II” as “a dramatic advance on Redox I” (Request, page 28, line 6).

¹³ We presume that the exchange of technical information pertaining to the “Technology” continued subsequent to the disclosure of “Redox II” on March 29, 1980, as evidenced by the Letter dated May 7, 1980 in which Celanese set forth the itinerary for a meeting with appellant on May 19-20, 1980, for the purpose of “gaining a better understanding of your advances in ethylene glycol technology” (Request *Exhibit 5*).

enter into the *negotiations*, in good faith, of a *definitive agreement to contain in substance the following provisions*: . . . [Request Exhibit 6, page 1; emphasis added.]

We find that for the consideration of \$100,000 paid by Celanese, Redox entered into the Celanese Definitive Agreement (Request *Exhibit 7*) which followed essentially the points already outlined in the Celanese Heads of Agreement, and although dated the "1st. day of July 1980," was subsequently executed on January 7, 1981 by Celanese (see original decision, pages 26-34).^{14,15}

We have considered the total content of the Celanese Definitive Agreement now of record (Request *Exhibit 7*) in determining the obligation of Celanese under the provisions thereof to conduct research and development in the "Technology," including the claimed process encompassed by claim 1. We found in our original decision with respect to the record at that time, that Celanese would conduct research and development during the "'R&D Phase' to the extent that Celanese *deemed it necessary*" in view of the provision in ¶ 2.1 of the Celanese Definitive Agreement (Kollar Declaration *Exhibit 3*) that "Celanese, with the cooperation of Redox, shall conduct such research and development (R&D) in the Field, and shall pilot such step or steps as Celanese *deems advisable*" (see original decision, page 28, first paragraph, emphasis supplied here; see also, e.g., pages 30-31, page 41, second full paragraph, and paragraph bridging pages 42-43). Thus, Celanese after executing the Agreement could have deemed it advisable not to conduct any research and development in the "Technology" and, therefore, could have immediately elected to terminate the Agreement pursuant to ¶ 3.2(b) without an "R&D Phase." It is further clear from ¶ 1.4 (see original decision, pages 29-30) and "Section 5" of this Agreement (pages 16-19), that Celanese immediately after executing the Agreement could also have elected to approve "the first Celanese plant in the Field" prior to

¹⁴ We pointed out above that the copy of the Celanese Definitive Agreement provided as Request *Exhibit 7* is a complete copy (*see above* note 3), and consider here the parts that were blocked-out in the original submissions in Kollar Declaration *Exhibit 3* and the Response of September 25, 1997 (Paper No. 8).

¹⁵ We find from our review of the evidence in the documents submitted as Request *Exhibits 2 through 7* substantially the same course of events outlined by appellant in the Request (paragraph bridging pages 27-28), the difference being that there is no evidence in Request *Exhibit 5* of a "Meeting" with Celanese on May 7, 1980.

July 1, 1981, at which time there would have been only a “Commercial Phase” and no “R&D Phase.”

We now find that the Celanese Definitive Agreement (Request *Exhibit 7*) specifies in ¶ 2.3 (page 6) a schedule of payments involving seven (7) annual dates and increasing amounts to be made by Celanese to Redox during the “R&D Phase;” for example, “\$110,000 on July 1, 1981.” This Agreement further specifies in ¶ 2.4 (pages 6-7) a schedule involving six (6) annual dates and increasing amounts of “fully allocated minimum expenditures for R&D work in the Field” to be made by Celanese; for example, “First R&D Year - \$1,000,000,” which “Year” began July 1, 1980. Finally, this Agreement specifies in ¶ 3.2(b)(i) through (v) (page 11), a schedule involving five (5) annual dates and decreasing “royalty rates,” which are higher than the rates set forth in ¶ 5.2, and apply when “Celanese and Celanese Affiliates . . . enjoy a non-exclusive right to use and operate under all Redox Patents and Technology in the Field under the terms set forth in Section 5.2” in the event that “termination [of this Agreement by Celanese] occurs earlier than as provided in Section 3.2(a);” for example, “(i) 250% of those set forth in Section 5.2 if termination occurs prior to July 1, 1981.” With respect to ¶ 1.4 and “Section 5” of this Agreement (pages 16-19), applicable “running royalties” during the “Commercial Phase” are specified in ¶ 5.2.

Accordingly, in view of the record as it now stands on this appeal, we find that the Celanese Definitive Agreement permitted Celanese to terminate the Agreement in the “R&D Phase” or enter into the “Commercial Phase” without conducting any research and development in the “Technology,” including embodiments encompassing the claimed process encompassed by claim 1. Indeed, Celanese was under no obligation to conduct any research and development on the “Technology,” including embodiments that encompassed the claimed process encompassed by claim 1, under any provision of the Celanese Definitive Agreement. Thus, we observe that Celanese would not have had to make any further payment to Redox if it entered into the “Commercial Phase” prior to July 1, 1981, or terminated the Celanese Definitive Agreement pursuant to ¶ 3.2(b) prior to July 1, 1981, and never exercised the “non-exclusive right to use and operate under all Redox Patents and Technology in the Field,” which it nonetheless would continue to enjoy for the term of the Agreement (see original decision, e.g., page 31). If

Celanese did exercise the “non-exclusive right to use and operate” after termination pursuant to ¶ 3.2(b), then Redox would realize through an increased percentage of royalty payments, at least some of the “R&D Phase” monies that it would have received from Celanese pursuant to ¶ 2.3 if Celanese had conducted the “R&D Phase” through to the “Commercial Phase.”

We further presumed in our original decision (pages 32 and 42; see also pages 14, 15, 17, 43 and 47) that the record as it then existed contained no evidence that Celanese ever returned the documents entitled “Alkylation Of t-Butyl Hydroperoxide With Isobutylene” (Kollar Declaration *Exhibit 3*) and marked “REDOX TECHNOLOGIES INCORPORATED January 21, 1983 Meeting” (Kollar Declaration *Exhibit 5*) to Redox’s possession, or relinquished control of the document entitled “Redox II Design and Economics Update,” authored by Celanese personnel (Kollar Declaration *Exhibit 4*) to Redox. The Celanese Confidence Agreement (Request *Exhibit 2*), the Celanese Heads of Agreement (Request *Exhibit 6*) and the Celanese Definitive Agreement (Request *Exhibit 7*) considered in light of appellant’s testimony placed in the record with the Request are relevant to this issue.

We find that the Celanese Confidence Agreement, dated “23rd. day of October 1979,” provides the following:

4. In the event that Celanese decides not to enter into a further Agreement with Redox pursuant to paragraph numbered 1 hereof within 180 days of this Agreement, Celanese agrees to turn over and deliver to Redox all written or other graphic material containing or embodying information, data or know-how disclosed to Celanese, by Redox with the exception that Celanese may retain one copy of such material in a sealed package in controlled locked files or Celanese’s Legal Department.

We presume that while there is no evidence that “a further Agreement” was entered into “within 180 days” of the date of this Agreement, that is, April 23, 1980, Redox was actively disclosing the “Technology” to Celanese subsequent to that time, which activity led to the Celanese Definitive Agreement as outlined above. We further find that there is no provision in either the Celanese Heads of Agreement or the Celanese Definitive Agreement which provides that any and all materials pertaining to the “Technology,” whether generated by Redox or by Celanese, must be placed in the possession of Redox at any time during the period covered by either Agreement or at the end thereof, that is, June 30, 2005. We find that ¶ 4 of the Celanese Confidence Agreement is not controlling as each of the Celanese Heads of Agreement (¶ 4.7) and the

Celanese Definitive Agreement (¶ 7.1) supersedes “all prior agreements, verbal and written between the parties.”¹⁶ Indeed, we find that the *absence* of a requirement to transfer any and all materials pertaining to the “Technology” to the possession of Redox is consistent with the provision that “Celanese and Celanese Affiliates . . . enjoy a non-exclusive right to use and operate under all Redox Patents and Technology in the Field under the terms set forth in Section 5.2” in the event that “termination [of this Agreement by Celanese] occurs earlier than as provided in Section 3.2(a).”

We are mindful that appellant states that “[t]here is no evidence that Celanese has possession of cited documents. These documents were and are the property of Redox and in the possession of Redox” (Request, page 36, first paragraph; see also page 40, third and fourth full paragraphs, page 41, second full paragraph, page 43, last full paragraph, page 50, third full paragraph). However, this testimony, unsupported by documentary evidence including any Agreement provision, is contrary to the preponderance of the documentary evidence of record. Thus, on balance, we accord appellant’s testimony little weight on this matter.

Accordingly, the record now before us reinforces our presumption in our original decision that Celanese never returned the documents entitled “Alkylation Of t-Butyl Hydroperoxide With Isobutylene” (Kollar Declaration *Exhibit 3*) and marked “REDOX TECHNOLOGIES INCORPORATED January 21, 1983 Meeting” (Kollar Declaration *Exhibit 5*) to Redox’s possession, or relinquished control of the document entitled “Redox II Design and Economics Update,” authored by Celanese personnel (Kollar Declaration *Exhibit 4*), to Redox.

Thus, based on our analysis of the record as it now stands on this appeal as set forth in our original decision (pages 8-17, 26-33 and 41-48) and explained above, we maintain the finding set forth in our original opinion (page 43) that the executed Celanese Definitive Agreement, *prima facie*, constitutes evidence that embodiments of the “Technology” which included embodiments of the claimed process for the preparation of a dialkyl peroxide as encompassed by claim 1, and written descriptions of such embodiments, were the subject of a

¹⁶ We find that ¶ 7.1 of the Celanese Definitive Agreement provides that this Agreement supersedes “all prior agreements, verbal and written between the parties, including the October 23, 1979 secrecy agreement . . . and including . . . [the] Heads of Agreement.”

firm commercial offer for sale, and indeed, an actual commercial offer for sale, before the critical date, and there is no evidence that the research and development which may be or was conducted with respect to commercialization of embodiments of the "Technology," that included embodiments of the claimed process encompassed by claim 1, under this agreement by Celanese was experimental in character with respect to the process encompassed by claim 1. *See Pfaff v. Wells Elect., Inc.*, 525 U.S. 55, 67, 48 USPQ2d 1641, 1647 (1998); cf. *Chemical Separation Technology Inc. v. United States*, 53 USPQ2d 1419, 1420-21, 1423-24 (Fed. Cl. 1999). Indeed, the record now reflects that pursuant to the Celanese Heads of Agreement, Celanese paid Redox \$100,000 in consideration of entering into the Celanese Definitive Agreement in addition to the further consideration as may accrue to Redox under the Celanese Definitive Agreement, as summarized in our original decision (page 47, first full sentence), which Agreement immediately placed Celanese in possession and control of embodiments of the process encompassed by claim 1, including written descriptions of such embodiments, with respect to the non-exclusive, limited license to "use and operate under all Redox Patents and Technology in the Field," without any obligation to conduct research and development on such embodiments.

On this same record, we maintain our further finding set forth in our original decision (pages 43-44) that, *prima facie*, the evidence shows that the claimed process was a completed invention ready for patenting before the critical date under *Pfaff*, 525 U.S. 55, 67-68, 48 USPQ2d 1641, 1647, because (1) appellant had reduced embodiments of the claimed processes to practice before the disclosure thereof to Celanese in the documents entitled "Alkylation Of t-Butyl Hydroperoxide With Isobutylene" (Kollar Declaration *Exhibit 3*) and "REDOX TECHNOLOGIES INCORPORATED January 21, 1983 Meeting" (Kollar Declaration *Exhibit 5*); and (2) such disclosure of embodiments of the claimed process contained chemical equations and other description of the embodiments that were sufficiently specific to have enabled one of ordinary skill in this art to practice embodiments of processes of preparing dialkyl peroxides falling within claim 1, in a manner which, if this disclosure was added to the prior art, would have anticipated or would have rendered obvious the claimed process as encompassed by claim 1. In similar manner, we maintain our finding that the document entitled "Redox II Design and Economics Update" (Kollar Declaration *Exhibit 4*) prepared by Celanese personnel based on

disclosures by appellant, provided a description of embodiments of the claimed process encompassed by claim 1, in a written form that was sufficiently specific to have enabled one of ordinary skill in this art to practice embodiments of processes of preparing dialkyl peroxides falling within claim 1, in a manner which, if this disclosure was added to the prior art, would have anticipated or would have rendered obvious the claimed process as encompassed by claim 1.

Therefore, based on the record as it now stands on appeal, we remain of the opinion that the transaction between Redox and Celanese with respect to the Celanese Definitive Agreement, *prima facie*, satisfies both of the conditions of the test announced by the Supreme Court in *Pfaff*, 525 U.S. at 67-68, 48 USPQ2d at 1646-47, and thus conclude, as a matter of law, that, *prima facie*, embodiments of the claimed process encompassed by appealed claim 1 was on-sale before the critical date within the meaning of 35 U.S.C. § 102(b).

In view of the *prima facie* case of anticipation, we have again evaluated all of the evidence that embodiments of the claimed invention were and were not on-sale before the critical date based on the record as a whole, giving due consideration to the weight of appellant's arguments presented in rebuttal in the Request. See, e.g., *Caveney*, 761 F.2d at 674-75, 226 USPQ at 3; cf., e.g., *In re Spada*, 911 F.2d 705, 707 n.3, 15 USPQ2d 1655, 1657 n.3 (Fed. Cir. 1990).

We have carefully reconsidered all of appellant's arguments presented in his Request as well as the arguments already of record, with respect to whether the claimed process encompassed by claim 1 was on-sale before the critical date within the meaning of § 102(b) because the transaction between Redox and Celanese with respect to the Celanese Definitive Agreement satisfies both of the conditions of the test announced by the Supreme Court in *Pfaff*, 525 U.S. at 67-68, 48 USPQ2d at 1646-47. We pointed out in our original decision that this determination is a question of law based on underlying facts (pages 5-6). Thus, we must consider the objective evidence in the record on this issue and not appellant's subjective intent expressed in the Request and elsewhere in the record.

Upon reconsideration, we maintain our opinion expressed in our original decision with respect to appellant's arguments of record prior to the submission of the Request (original

decision, pages 45-48). Thus, we consider here appellant's further arguments and additional information presented in the Request that pertain to Celanese.

Contrary to appellant's contentions in the Request (e.g., page 39, fourth full paragraph, page 43, penultimate paragraph, page 50, second full set of paragraphs, page 52, first paragraph, to page 53, first paragraph, and page 54, first full paragraph; also *see above* note 7), it is clear from the record that the "Technology" encompassed embodiments of the claimed process of preparing a dialkyl peroxide encompassed by claim 1 (see, e.g., original decision, pages 9-12); that embodiments of the claimed process in the context of the "Technology" using the process parameters specified in claim 1 were disclosed to Celanese in the disclosure and report documents discussed above, pursuant to the Celanese Confidence Agreement, the Celanese Heads of Agreement and the Celanese Definitive Agreement (*see above* pp. 7-11; see also original opinion, e.g., pages 14-17 and page 41, first full paragraph); and that Celanese issued the "Redox II Design and Economics Update" (Kollar Declaration *Exhibit 4*) reporting on a method of preparing ethylene glycol according to the "Technology" that included an embodiment of the claimed process (*see above* pp. 16-17; see also original decision, page 17). Thus, it is clear from the record that the "Technology" encompassing embodiments of the claimed process of preparing a dialkyl peroxide encompassed by claim 1 was at least part of the subject of the transaction between Redox and Celanese with respect to the Celanese Definitive Agreement, even though the disclosure and report documents were not a part of this Agreement or prior, superceded Agreements, and a process encompassed by claim 1 independent of the "Technology" was not involved. *See Scaltech Inc. v. Retec/Tetra, L.L.C.*, 178 F.3d 1378, 1383, 51 USPQ2d 1055, 1058-59 (Fed. Cir. 1999); *RCA Corp. v. Data General Corp.*, 887 F.2d 1056, 1059-62, 12 USPQ2d 1449, 1452-54 (Fed. Cir. 1989).

We agree with appellant that the Celanese Definitive Agreement does not contain the "word sale, or any of its [sic] multiple synonyms" and is not a "purchase order" (Request, e.g., page 7, first full paragraph, page 47, penultimate paragraph, page 51, penultimate set of paragraphs). However, we find it clear from the provisions of the Celanese Definitive Agreement that this document enabled Celanese to acquire one of two different commercialization "rights" in the "Technology" from Redox, depending on when Celanese may

elect to enter the “Commercial Phase” pursuant to ¶ 1.4, or to terminate the Agreement pursuant to ¶ 3.2 (see above pp. original decision, pages 28-33 and 41-43). In view of the consideration that Celanese paid to Redox pursuant to the Celanese Heads of Agreement and that may accrue to Redox dependent upon the outcome of the research and development pursuant to the Celanese Definitive Agreement (e.g., *see above* p. 16, and original opinion, pages 46-47), the Celanese Definitive Agreement constitutes a contract for sale of chemical processes embodying the “Technology,” including embodiments of the claimed process encompassed by claim 1, even if it is not specifically styled as such (see the authority cited in the paragraph bridging pages 35-36 of our original decision), and thus is evidence that the “Technology,” including embodiments of the claimed process encompassed by claim 1, was the subject of a commercial offer for sale. *See Pfaff*, 525 U.S. at 67, 48 USPQ2d at 1646-47; *In re Caveney*, 761 F.2d 671, 676, 226 USPQ 1, 4 (Fed. Cir. 1985).

We are not persuaded otherwise by appellant’s arguments. Appellant contends that there was no sale of the claimed process in the context of the “Technology” in the Celanese Definitive Agreement because it was “a joint R&D . . . based on traditional equitable risk taken-reward earned consideration” (Request, page 2). Even when the Celanese Definitive Agreement is viewed in light of appellant’s arguments in the Request (see, e.g., pages 3-5, paragraph bridging pages 6-7, pages 19-22, pages 32-34, page 43, penultimate paragraph, page 47 and page 50, first complete set of paragraphs), we find it difficult to arrive at the characterization of the Agreement as a “joint development agreement,” and further find that even if the Agreement is so characterized, the claimed process encompassed by claim 1 was still on-sale within the meaning of § 102(b) for two reasons. First, we fail to find any requirement in the Agreement for or any evidence in the record of “joint development” of any embodiment of a process encompassed by claim 1. In this respect, it is clear from ¶ 2.1 of the Agreement that Celanese was to conduct research on the “Technology” for its own commercial purposes to the extent it solely “deems advisable,” with the participation of Redox limited to its “cooperation,” and it is clear from ¶ 2.5 that Redox was “to continue its own R&D work in the Field . . . and to consult with and keep Celanese informed concerning the same,” the two parties jointly agreeing only to “exchange progress reports in the Field and correspond, meet, discuss, and exchange information in the

Field," in ¶ 2.6. The record shows that while the "REDOX TECHNOLOGIES INCORPORATED January 21, 1983 Meeting" (Kollar Declaration *Exhibit 5*) is evidence that Redox did provide Celanese with consultation and information which involved an embodiment of the claimed process encompassed by claim 1, there is no evidence that Redox participated in such development activities as that resulting in the "Redox II Design and Economics Update" (Kollar Declaration *Exhibit 4*) by Celanese personnel, which had the objective of determining whether the tested embodiments of the "Technology" provided a competitive market advantage over a competitor and not the testing of the DTBP process used therein which falls within claim 1 (see original opinion, e.g., pages 42-43). Indeed, as we pointed out above (*see above* p. 8), appellant's testimony establishes that embodiments of the claimed invention were reduced to practice before disclosure thereof to Celanese and that Celanese never examined the DTBP process. Thus, there was in fact no joint development of the claimed process encompassed by claim 1 in the context of the "Technology" or otherwise.

And, second, the Agreement was, in inception and execution, a sales contract between Redox and Celanese because these parties are separate entities in a corporate sense, and upon execution, Redox immediately relinquished control of embodiments of the claimed process encompassed by claim 1, including written descriptions thereof, in the context of the "Technology" to Celanese to use for its own purposes in determining whether to commercialize the "Technology," without obligation to conduct research and development thereon, and in exercising at least "a non-exclusive right to use and operate under all Redox Patents and Technology in the Field" with respect to commercializing the "Technology," in exchange for consideration paid by Celanese to Redox under the Celanese Heads of Agreement and otherwise accruing to Redox under the Celanese Definitive Agreement (*see above* pp. 15-16). *See, e.g., Brasseler, U.S.A. I, L.P. v. Stryker Sales Corp.*, 182 F.3d 888, 890, 51 USPQ2d 1470, 1472 (Fed. Cir. 1999). The fact that Redox may have subsequently provided a written description of additional embodiments to Celanese in the context of the "Technology" pursuant to provisions of the Celanese Definitive Agreement, does not change the affect of the Agreement. Indeed, Celanese immediately gained control of the additional embodiments for its own use, without obligation to conduct research and development thereon, as provided by the Agreement upon

receipt of the information from Redox. Thus, even if there was a “joint development” exception to the on-sale bar of § 102(b), with respect to “an experimental development component” (Request, page 47) or otherwise, which there is not, *see, e.g., Brasseler, supra*, it would not apply to the facts established on this record.

Appellant further argues that “BPAI’s alleged Redox ‘sale’ to Celanese [sic] the ‘right’ to commercialize is defective on multiple counts” (Request, page 3), including our finding in our original decision (sentence bridging pages 41-42) that “Celanese upon signing this [Celanese Definitive Agreement] had obtained for itself and its affiliates *at least* this limited ‘right’ to commercialize for the consideration of ‘R&D Phase’ payments to Redox, ‘running royalties’ . . . and granting Redox “a non-exclusive right to license to others all Celanese Patents and Technology conceived before termination to the extent that the same are within the Field” (Request, page 4, first paragraph; see also, e.g., pages 3-5, 22-34 and 44).¹⁷ In our original decision (page 31), we found “from [Celanese Definitive Agreement] ¶ 3.2 (pages 10-11) that regardless of the activity that occurred in the ‘R&D Phase’ prior to notice of termination by Celanese, ‘Celanese and Celanese Affiliates shall enjoy a non-exclusive right to use and operate under all Redox Patents and Technology in the Field,’ that is, to commercialize the ‘Technology’ even though the ‘Commercial Phase’ has not been reached, in consideration for which Celanese would pay Redox, *inter alia*, ‘running royalties’ ‘[f]or resultant products from commercial plants in the Field in North America,’ as determined by prior R&D activity, pursuant to ¶ 5.2 (pages 16-17).” Upon reconsideration in light of appellant’s arguments in the Request, it is clear that our finding in our original decision is based on the plain language of ¶¶ 3.2 and 5.2 of the Celanese

¹⁷ We cannot agree with appellant (Request, e.g., pages 4 and 32-34) that our use of the term “commercialize” is inappropriate in this case. We have used this term in accordance with its ordinary meaning of “[t]o exploit, do, or make mainly for financial gain.” *The American Heritage Dictionary Second College Edition* 297 (1982). Indeed, under the Agreement, Celanese can “use and operate” the “Technology” for the purpose of preparing ethylene glycol, using an embodiment of the process of claim 1, for sale *per se* or for other purposes, such as an intermediate or ingredient in preparing another product for sale. Thus, we cannot agree with appellant that the term “commercialize” should be used to characterize activity that “is incidental to the experimental purpose of the Definitive Agreement” (Request, e.g., page 4, second paragraph, citing pages 32-34, paragraph bridging pages 45-46, page 46, penultimate paragraph, and page 54).

Definitive Agreement (Kollar Declaration *Exhibit 5* or Request *Exhibit 7*) and we find no argument advanced by appellant which explains why our interpretation of the plain language of these provisions is in error.

Appellant has advanced several arguments in an attempt to establish that the transaction between Redox and Celanese was experimental rather than commercial in character. Based on the authority we cited in our original decision (pages 36-37), appellant must address the presumption that the offer to sell the claimed process was commercial rather than experimental in character by establishing by objective evidence of experimental use, and not by statements of subjective intent to experiment, that the transaction between Redox and Celanese was for the purposes of experimentation with the claimed process, even if part of another process, in order to reduce the claimed process as encompassed by the limitations of claim 1 to practice, because if the invention as claimed has been reduced to practice or is sold without the requirement for further experimentation with respect to the specific limitations of claim 1, the claimed invention is no longer the subject of experimentation. Our review of the record now before us as a whole convinces us that appellant has not carried this burden.

We cannot agree with appellant's arguments that the "true essence" of the Celanese Definitive Agreement "is that Celanese would progress the Redox EG Field for 4 to 5, but possibly up to 7 years before scientific progress for a first plant was achieved" (Request, set of paragraphs bridging pages 42-43; see also, e.g., pages 3-19, 22-31, and 52-54) for several reasons. First, we note again here that appellant's testimony establishes that embodiments of the claimed invention were reduced to practice before disclosure thereof to Celanese and that Celanese never examined the DTBP process (*see above* p. 8). Thus, there is no evidence on this record that research conducted with respect to the "Technology" by Celanese included experimentation directed to or resulting in reducing the claimed process encompassed by claim 1 to practice.

The second reason that we cannot agree with appellant that research in the "Redox EG Field" is the "true essence" of the Celanese Definitive Agreement is that we found above that certain provisions of the Celanese Definitive Agreement permitted Celanese to terminate the Agreement in the "R&D Phase" or enter into the "Commercial Phase" without conducting any

research and development in the “Technology,” including the claimed invention encompassed by claim 1 (*see above* pp. 12-14). Thus, Celanese was under no requirement to conduct research and development in the “Technology,” including the claimed invention encompassed by claim 1.

We are not persuaded by appellant’s arguments that the provisions of the Agreement required Celanese to participate in an “R&D Phase” (Request, e.g., pages 34-35).¹⁸ We cannot subscribe to appellant’s view that under ¶ 2.1, “Celanese choice is limited to only pilot [plant] operations of only a step or steps Celanese deems advisable” since the same would be “a logical choice” because of “Celanese existing expertise” in the “Field” and “technical risk-reward assessment” (Request, pages 34-35; see also page 42, last paragraph, page 44, pages 48-49 and page 54, second full paragraph). It is a basic principle of contract law that it is the objective determination of the meaning of the provisions of a contract, and not the subjective intent of a party thereto, that governs the interpretation to be made thereof. Here, it is clear from consideration of the provisions of the Agreement as a whole that there are several courses of action available to Celanese other than participation in the “R&D Phase.” We observe with respect to the provisions of the Agreement discussed above (*see above* pp. 12-14) that the “expertise” of Celanese could have just as well been manifested in a decision to immediately terminate the Agreement pursuant to ¶ 3.2(b) or to approve the “first . . . plant” and thus enter the “Commercial Phase” pursuant to ¶ 1.4 and Section 5, without any further research and development of any embodiment of the “Technology.”

Appellant does argue that Celanese “even in . . . hypothetical extreme, would in fact have

¹⁸ We have reconsidered our interpretation of the plain language “deems advisable” in the phrase “Celanese, with the cooperation of Redox, shall conduct such research and development (R&D) in the Field, and shall pilot such step or steps as Celanese *deems advisable*,” in ¶ 2.1 (emphasis supplied) of the Celanese Definitive Agreement, as permitting Celanese to conduct research and development during the “R&D Phase” to the *extent that Celanese deemed it necessary*, in light of appellant’s argument that our interpretation is taken out of context and that “deems advisable” means “to be advised . . . [or] to give counsel to” (Request, Page 34). However, we are of the opinion that our interpretation is in accordance with the ordinary meaning of “advisable” as “[w]orthy of being recommended or suggested; prudent.” *The American Heritage Dictionary Second College Edition* 82 (1982). We find no provision in this Agreement requiring Celanese to substitute the counsel of another party for its own internal resolution of the issue of whether to undertake or continue a research and development program.

experimental EG progressing obligations to expend" and points out that in order to terminate the Agreement, Celanese would have to give "60 days' written notice to Redox" under ¶ 3.2, which would require "[u]nder ¶ 2.4 minimum expenditures for R&D of at least 60 day," and that in fact the Agreement was not executed "until 6 to 7 months into the first R&D Year expenditures with a huge Celanese-Redox cooperative effort and contractual intent already demonstrated" (Request, page 4, third through fifth paragraphs). Appellant points to further "[e]xperimental obligations placed on [sic] accepted with demonstrated good and binding intent by Celanese" (Request, page 5) and, in this respect, to ¶¶ 2.1, 2.3,¹⁹ 2.4, 2.6 and 2.2^{20,21} in various arguments (Request, page 5,

¹⁹ We fail to find any provision in the Celanese Definitive Agreement or other evidence in the record which supports appellant's contention that payments to be made by Celanese to Redox under ¶ 2.3 is evidence of the "experimental obligations" of Celanese (Request, e.g., pages 3, 5, 6-7 and 17). Nor is it clear from the provisions of this Agreement that the sole purpose of the ¶ 2.3 payments is the funding of any "Redox obligation" to conduct experimentation in the "Technology" in "cooperation" with Celanese pursuant to ¶¶ 1.3, 2.1 and 2.2, or "continue its own work in the Field" and interact with Celanese pursuant to ¶¶ 2.5 and 2.6. To continue appellant's quotation of ¶ 2.8 (Request, page 6), this section reads as follows (emphasis supplied):

Redox shall make Kollar available at Celanese facilities . . . for consultation in the Field . . . for up to 30 days per year without any compensation by Celanese to Redox or Kollar *other than that set forth in Section 2.3 and other than payment of out-of-pocket expenses reasonably and necessarily incurred by Kollar in connection with such consultation.* On a case by case basis as reasonably agreed by Redox and for *fees mutually agreed upon* by Redox and Celanese, Redox also shall make Kollar available for additional days of consultation in the Field during the R&D Phase. Celanese agrees that those days which Kollar spends with Celanese patent attorneys on patent matters shall be treated as consulting days under this section 2.8.

Thus, if Celanese required little "cooperation," interaction or "consultation" with Kollar or other Redox personnel, or Kollar spent time on patent matters, the amount due Redox pursuant to ¶ 2.3 would remain the same, and in fact the amount due Redox would increase as agreed if the time Kollar spent on patent matters was more than 30 days per year, all without any experimentation in the "Technology" being conducted by Redox or Kollar.

²⁰ With respect to our findings in our original decision (page 28), we agree with appellant (Request, page 6) that under ¶ 2.2, Celanese would be obligated to "pay Redox reasonable travel and living expenses for Redox personnel . . . in connection with Redox cooperative work with Celanese in the Field."

²¹ Appellant has discussed the "Celanese obligation under ¶ 4.1" with respect to the filing and prosecution of patent applications based on inventions developed by either party in activities pursuant to the Agreement with respect to various arguments advanced in the Request (e.g.,

pages 6-10, page 17, page 20 and pages 59-60). However, we fail to find in these provisions, separately or severally, an expressed or implied obligation on Celanese to engage in “R&D Phase” activities, but rather that Celanese may have certain obligations under these provisions if research is undertaken in the “R&D Phase” and if Redox resources are used.²² In any event, the evidence now of record, even when taken in light of appellant’s arguments in the Request (e.g., pages 22-26, 40-41, 51 and 52-53), reinforces our findings in our original decision (page 15, paragraph bridging pages 16-17, page 17, page 29, paragraph bridging pages 42-43 to page 44, last paragraph, and page 46) that under the Celanese Definitive Agreement, any research and development conducted during the “R&D Phase” was to be directed to the “Technology,” not the process of claim 1, and we again point out here (*see above* pp. 7-8) that there is no evidence that any research and development conducted by Celanese in this respect involving a process or processes falling within claim 1, resulted in a claim limitation or in a modification of a claim limitation that originated from appellant’s research involving the claimed processes. We note here that the record now before us does not contain any evidence of the interaction between Redox and Celanese after the January 21, 1983 meeting (Kollar Declaration *Exhibit 5*), and thus we maintain our presumption that Celanese terminated the Agreement in the “R&D Phase” (original decision, paragraph bridging pages 29-30).

Finally, we have reconsidered our finding that the claimed process encompassed by claim 1 was a completed invention ready for patenting before the critical date under both of the tests set forth in *Pfaff*, 525 U.S. 55, 67-68, 48 USPQ2d 1641, 1647 (*see above* pp. 16-17), in view of

pages 4, 5 and 17). However, we fail to find that Celanese was under an obligation to experiment for the purpose of generating patents pursuant to this or any other provision of the Agreement.

²² Appellant contends that Celanese was under an actual obligation to conduct research and development in the “Technology” because ¶ 3.2 requires “60 days’ written notice” to terminate the Celanese Definitive Agreement and the Agreement was not executed into well into the “First R&D Year” set forth in ¶ 2.4 (Request, page 4). We do not find any provision in the Agreement which pertains to dispute resolution with respect to the payment of monies due or to be expended pursuant to different provisions of the Agreement, *inter alia*, ¶¶ 2.3 and 2.4, upon termination of the Agreement by Celanese during an “R&D Year.” However, this fact alone does not create an obligation on Celanese to conduct research and development after Celanese has elected to terminate the Agreement under ¶ 3.2.

appellant's arguments in the Request (e.g., pages 23 and 52-53). However, we fail to find in appellant's contentions with respect to patenting on "a priority or technical" basis (*id.*) any reason why the tests specified in *Pfaff* have not been satisfied with respect to the process encompassed by claim 1 by the testimonial and documentary evidence of record that we have relied on. We are not persuaded by appellant's contention that the claimed process as encompassed by claim 1 was not ready for patenting because it had "some" but not "much utility" with respect to the "Technology" (Request, page 52) because it is clear that appellant recognized the utility of the process in the context of the "Technology" and so disclosed the claimed process to Celanese as set forth in ¶ 7 of the Kollar Declaration (see original decision, page 12; *see above* p. 8).

Therefore, based on our consideration of the totality of the record now before us on rehearing, we have weighed the evidence that the claimed process encompassed by appealed claims 1 through 17 was on-sale to Celanese within the meaning of 35 U.S.C. § 102(b) with appellant's countervailing evidence of and argument that the claimed process was not on-sale to Celanese within the meaning of this statutory provision, and conclude that the claimed invention encompassed by appealed claims 1 through 17 was on-sale as a matter of law within the meaning of 35 U.S.C. § 102(b).

The examiner's decision is affirmed.

We have carefully considered appellant's testimony and argument in the Request (e.g., pages 41-42, 49-50 and 55-57, and Request *Exhibit 8*) in response to our consideration of the examiner's ground of rejection of the appealed claims under 35 U.S.C. § 102(b) based on the interaction between Redox and Arco with respect to whether the "Technology" was on-sale to ARCO within the meaning of this statutory provision, and our request for information with respect thereto in our original decision (e.g., pages 2, 10-11, 18-26, 39-41 and 48-49). However, we decline to make any modification to our original decision based on appellant's response in the Request.

We do find that appellant's response to the following matters require further explanation:

What presentations and representations, oral and written, were made by Redox to ARCO during the "solicitation period" with respect to the "rights" that Redox asserted in the "Technology" and the range of purchase, assignment and/or licensing options

which Redox offered to ARCO. What was the range of purchase, assignment and/or licensing options parties intended to be encompassed in the phrase “[ARCO] desires to make an offer to [Redox] to acquire the Technology” in the ARCO Confidentiality Agreement? [Original decision, page 49.]

Appellant states that “[t]he only discussions were about progressing the Redox EG for mutual benefit *as detailed previously by shared risk-earned reward*” (Request, page 56, emphasis supplied). In view of the “shared risk-earned reward” argument appellant advanced with respect to the licenses outlined in the Celanese Definitive Agreement as discussed above, it appears to us that the “shared risk-earned reward” in this instance would reasonably suggest that an arrangement that was the same or similar to that entered into with Celanese, was discussed with ARCO. However, in view of the development of such issues with respect to Celanese, we leave it to the examiner to further pursue these issues with respect to ARCO in any further prosecution of the appealed claims *before the examiner after the disposition of this appeal.*

Because we have modified the opinion in the prior decision, we *reissue the decision as of this date.* See 37 CFR § 1.197(b), first sentence.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 CFR § 1.136(a).

REQUEST FOR REHEARING DENIED

DECISION REISSUED


CHARLES F. WARREN

CHARLES F. WARREN
Administrative Patent Judge

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Douglas W. Robinson
DOUGLAS W. ROBINSON
Administrative Patent Judge

Administrative Patent Judge

Appeal No. 1998-3109
Application 08/567,564

John Kollar
Redox Technologies, Inc.
6 Spencer Court
Wyckoff, NJ 07481